

UNITED STATES DEPARTMENT OF AGRICULTURE

SUBJECT: Loan Closing Instructions and Loan Closing Statement

Farm Service Agency

FOR:

Rural Business-Cooperative Service

Rural Utilities Service

TO:

Reference is made to Form RD 1927-4, "Transmittal of Title Information," dated _____.

Please notify the loan approval official of the agency of the United States Department of Agriculture (USDA) noted above when closing can occur and any loan checks intended for this transaction will be forwarded. Loan checks must be handled pursuant to RD Instruction 1927-B (7 CFR part 1927, subpart B) and other instructions enclosed.

Notify the applicant of all loan closing requirements and arrange for closing not later than _____ days of the date the loan funds are transferred to your account. If the loan is not closed by that date, the loan funds will be removed electronically from your escrow account.

Our requirements regarding the exceptions in your preliminary title opinion or title insurance binder No. _____ dated _____, 20____ are as follows:

No. _____ must be removed.

No. _____ must be subordinated to the lien of the United States which will be created at loan closing.

No. _____ may remain ahead of the lien of the United States which will be created at loan closing.

No. _____ must be changed as follows:

The requirements checked below must be met at or before loan closing:

- Income under exceptions No. _____ to be assigned to the USDA on Form RD 443-16
- Verify balances secured by liens referred to in the following exceptions:

No. _____ must not exceed \$_____ at loan closing.

No. _____ must not exceed \$_____ at loan closing.

- Applicant to provide paid in full receipt for a one-year standard fire and extended coverage insurance policy or binder
- Written evidence that the water system is acceptable
- Written evidence that the waste disposal system is acceptable
- Termite and pest certification
- Other

Loan funds plus \$_____ of borrower's personal funds required by USDA to be deposited in escrow with you will be disbursed as follows:

Pay \$_____ to _____

Pay \$_____ to _____

Pay \$_____ to _____

Pay a sum not exceeding \$_____ for borrower's share of closing costs. You are to deposit the balance of funds in a countersignature bank account by making a check payable to the borrower and endorsed as follows: "For deposit only

in my supervised bank account in _____ pursuant to Deposit Agreement dated _____." The endorsed check is to be attached to the enclosed Form RD 402-1 and delivered to the designated bank.

The following instruments and forms must be completed and, if applicable, executed at, or before, loan closing. All forms are to be executed or conformed as required by RD Instruction 1927-B or other applicable instructions. After loan closing, the approved attorney or title company will complete the last column and return the items listed, with this form, to USDA.

| Orig. | No. of Copies | No. Signed | No. to USDA | Form Number | Form Name |
|-------|---------------|------------|-------------|-------------|---|
| | | | | 400-1 | Equal Opportunity Agreement |
| | | | | 400-4 | Assurance Agreement |
| | | | | 402-1 | Deposit Agreement |
| | | | | 1924-19 | Builder's Warranty |
| | | | | | 10 Year Warranty |
| | | | | 426-2 | Property Insurance Mortgage Clause (Without Contribution) |
| | | | | 1940-17 | Promissory Note |
| | | | | | Amount of 1st year installment = \$ _____ |
| | | | | | Amount of subsequent installments = \$ _____ |
| | | | | 3550-14 | RE Mortgage/Deed of Trust |
| | | | | 1927-1 | Real Estate Mortgage/Deed of Trust |
| | | | | 1927-5 | Affidavit Regarding Work of Improvement |
| | | | | 1927-8 | Agreement with Prior Lienholder |
| | | | | 1927-10 | Final Title Opinion |
| | | | | 1927- | Warranty Deed |
| | | | | 440-9 | Supplementary Payment |
| | | | | 440-34 | Option to Purchase Real Property |
| | | | | 1940-59 | Settlement Statment |
| | | | | 443-16 | Assignment of Income from Real Estate Security |
| | | | | 1955-49 | Quitclaim Deed |
| | | | | | Assumption Agreement |

Additional Information and Instructions:

A copy of this Loan Closing Statement signed by you, the executed promissory note, and all other executed documents required for loan closing must be returned to the loan approval official within one day after the loan is closed, except as soon as possible after closing you must provide the loan approval official with the final policy of title insurance and, if applicable, the real estate mortgage or deed of trust.

_____ **Date** _____
Loan Approval Official

LOAN CLOSING STATEMENT *(To be completed by attorney/title company)*

I certify that the subject loan was closed on _____, in accordance with RD Instruction 1927-B and other written directions received from USDA. Enclosed are the properly executed forms in connection with loan closing.

By _____ **Date** _____
 Title _____

FOR USDA USE ONLY:

I have examined the loan closing documents and determined that the loan was properly closed in accordance with instructions provided:

_____ **Date** _____
Loan Approval Official